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different things, and that when they came to understand one another they were not so widely apart as they had supposed. This has happened so often that one ought to have learned to be cautious about attacking what seems to him to be an utter absurdity, especially when that seeming absurdity is held by intelligent and serious men. The author's attack upon the marginal productivity theory of distribution is a case in point. He has no difficulty in showing the sheer absurdity of that theory *as he understands it*. But it is apparent to anyone who will take the trouble to compare his statement with that of any defender of the theory that there is nothing in common between them. To the author, marginal productivity means precisely the same as average productivity.¹ Whereas, if there is any thing that marginal productivity does *not* mean to the defender of the theory, it is average productivity. Therefore there is nothing to be gained by discussing the question until there can be an agreement as to the thing to be discussed. The whole result of the author's labored discussion of that theory is therefore a waste of effort, and the question stands exactly where it did before the book was written.

Harvard University.

T. N. CARVER.

Railroad Promotion and Capitalization in the United States. By FREDERICK A. CLEVELAND and F. W. POWELL. (New York: Longmans, Green & Company, 1909. Pp. xiv, 368. \$2 net.)

In this book the authors have essayed the ambitious task of covering the subjects of railroad promotion and capitalization for the whole United States from the inception of railroad building down to the present time. And it should be said at the start that in what they have done they have succeeded well. Certain phases of the subject had already been well worked up, such as federal land grants, while other subjects have been much neglected, and here they have broken fresh ground. Taken as a whole the book is a fresh, comprehensive, and scholarly study of certain portions of early railroad history. The title is somewhat misleading, for it is really a history of early railroad development, with more emphasis on promotion and construction than on capitalization.

¹ Cf. p. 110.

A more detailed study of such financial aspects of the subject as bankruptcy, receivership, reorganization, financial management, etc., is promised in a second volume.

The early industrial development of the country is first traced in a couple of suggestive chapters, and the need of improved means of transportation as a result of the opening up of the West is pointed out. Successive chapters portray the early experiments in railroad construction, the failure of state efforts to construct the needed roads, and the promotion of private companies. Then follow the chapters that give the book its name, dealing with the various methods of appeal for financial support, with individual and local subsidies, state aid, and national aid. A final chapter treats briefly of financial institutions and syndicates as agencies of capitalization. The volume concludes with a full bibliography prefaced by an excellent critical note, and a well analyzed index.

The book is based upon wide reading and the laborious collection of scattered material. The extent of the work involved in the gathering of data is evidenced in the bibliography. For this labor all students of railroad development will be grateful. To the reviewer, however, those chapters seemed the best in which a more philosophical interpretation of these facts was made. Such were the introductory chapters, those on the economic basis of transportation development, rivalry between trade centers in its relation to promotion and capitalization, promotion of private companies, and the reaction against state and local subsidies. In his treatment of these subjects Dr. Cleveland—for the preface suggests that Mr. Powell's share in collaboration consisted in the gathering of materials—shows a comprehensive grasp of the material and a philosophical analysis. The relation between industrial development and railroad construction are clearly brought out, as is the effect of the economic needs upon the character of promotion, speculation, and capitalization. The author has no condemnation for the early despoiler and grafter; he was merely the result of conditions, while "the new morality of today is the product of new economic and social conditions."

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